

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Natick Retirement Board  
FROM: Joseph E. Connarton, Executive Director  
RE: Appropriation for Fiscal Year 2016  
DATE: October 22, 2014

Required Fiscal Year 2016 Appropriation: **\$8,049,681**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2016 which commences July 1, 2015.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2016 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Segal as part of their January 1, 2013 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2016.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

## Attachments

cc: Board of Selectmen  
Town Meeting  
c/o Town Clerk



## Natick Retirement Board

### Projected Appropriations

Fiscal Year 2016 - July 1, 2015 to June 30, 2016

Aggregate amount of appropriation: **\$8,049,681**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2016	\$8,585,546	\$8,049,681	\$0	\$8,049,681	\$8,049,681	\$0	\$535,865
FY 2017	\$8,885,688	\$8,693,656	\$0	\$8,693,656	\$8,693,656	\$0	\$192,032
FY 2018	\$9,196,242	\$9,389,148	\$0	\$9,389,148	\$9,196,242	\$192,906	\$0
FY 2019	\$9,517,569	\$10,140,280	\$0	\$10,140,280	\$9,517,569	\$622,711	\$0
FY 2020	\$9,850,042	\$10,398,658	\$0	\$10,398,658	\$9,850,042	\$548,616	\$0

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 3: Supplemental Information for the Town of Natick Contributory Retirement System

EXHIBIT G

Department Results as of January 1, 2013

Category	Housing	Public Safety	Water & Sewer Enterprise Fund	Sassamon Trace Enterprise Fund	All Others	Total
1. Demographics						
Actives	10	153	23	2	403	591
Inactives	0	6	2	1	81	90
Retired	<u>3</u>	<u>132</u>	<u>18</u>	<u>0</u>	<u>222</u>	<u>375</u>
Total	13	291	43	3	706	1,056
2. Total normal cost	\$48,081	\$1,968,249	\$117,917	\$12,227	\$2,022,391	4,168,865
3. Administrative expenses	2,768	113,311	6,788	704	116,429	240,000
4. Expected employee contributions	<u>45,624</u>	<u>1,152,673</u>	<u>137,093</u>	<u>8,652</u>	<u>1,686,238</u>	<u>3,030,280</u>
5. Employer normal cost: (2) + (3) - (4)	\$5,225	\$928,887	-\$12,388	4,279	452,582	1,378,585
6. Employer normal cost as a percent of payroll	1.0%	7.7%	-0.8%	5.0%	2.5%	4.3%
7. Actuarial accrued liability	2,944,492	83,112,631	7,827,822	139,717	74,804,115	168,828,777
8. Actuarial value of assets	<u>1,798,937</u>	<u>50,777,639</u>	<u>4,782,406</u>	<u>139,717</u>	<u>45,701,553</u>	<u>103,200,251</u>
9. Unfunded actuarial accrued liability: (7) - (8)	\$1,145,555	\$32,334,992	\$3,045,416	0	29,102,562	65,628,526
10. Payroll	508,542	12,067,586	1,472,092	85,346	18,047,404	32,180,970
11. Fiscal year 2014 appropriation	\$100,831	3,660,429	240,671	4,459	2,894,914	6,901,304
12. Fiscal year 2015 appropriation	\$108,897	3,953,263	259,925	4,816	3,126,508	7,453,409
13. Fiscal year 2016 appropriation	\$117,609	4,269,524	280,719	5,201	3,376,628	8,049,681

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.